This study, prepared by Capital Link with funding from Blue Shield of California Foundation, was conducted to better understand the financial health of the California community health center safety net and factors that may positively influence the development of high performing health centers. The research also developed a framework for grouping health centers by similar operational characteristics to enable benchmarking and sharing of best practices. This infographic illustrates selected performance highlights of Federally Qualified Health Centers and Look-Alike Health Centers in California. A full profile of all types of community health centers is presented in the complete report.

**Financial Profile**

Over the four year study period (2008-2011), health centers continued to demonstrate strong growth but had tight margins. Federally Qualified Health Centers and Look-Alike Health Centers outperformed other types.

- **Operating Revenue Growth of 33%**
  - 2008: $1.68
  - 2009: $1.88
  - 2010: $2.08
  - 2011: $2.28

- **Tight Operating Margins with 25% of Health Centers Vulnerable**
  - 75th Percentile: 7.1%
  - Median: 2.4%
  - 25th Percentile: -0.9%

Medi-Cal revenue continued to comprise 63-64% of Net Patient Revenue for all community health centers, but shifted towards Medi-Cal managed care.

**Location**

Urban health centers earned higher margins. Rural health centers spent 2% more on salary-related expenses, which affected margins negatively. Rural health centers had less cash reserves than urban health centers, with 20 fewer days cash on hand at the median. 1 in 4 rural health centers operated with 12 days cash reserves or less.

**Size**

Larger community health centers generally outperformed smaller ones. This was true whether size was measured by revenues, number of employees or patients, or other metrics.

**Number of Sites**

Once a health center organization grew to three or four sites, operating margins began to slip. Health centers with five to nine sites had healthier margins while health centers with 10 or more sites enjoyed even stronger operating performance.

**Patient and Payer Mix**

Community health centers with a higher portion of patients under 100% of the Federal Poverty Level (FPL) had stronger financial performance, with higher cash reserves and operating margins more than double those with a lower percentage of patients in poverty. These results are consistent with the high reimbursement rates for these clients.